

Historic, Archive Document

Do not assume content reflects current
scientific knowledge, policies, or practices.

SEP 1 - 1964

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Stabilization and Conservation Service

THE 1964 FEED GRAIN PROGRAM

A general explanation prepared especially for Agricultural Stabilization and Conservation Committeeen.

Again in 1964, as in previous years, the feed grain program is entirely voluntary. Participation in the program is a matter of individual decision by each producer on farms that produce barley, corn, or grain sorghum. Producers who grow more than one of the feed grains—barley, corn, and grain sorghum—will have a total feed grain base for their farms and may make a choice of diverting from the base acreage to conservation use one or more of these feed grains. The base period is 1959-60.

Although the program was not available before the planting of fall barley, those farms on which barley, corn, and/or grain sorghum were grown in 1959-60 may participate by reducing corn, barley, or grain sorghum acreage since these crops will have contributed to the farm feed grain base.

Two major improvements have been made:

1. As much as 50 percent of the total feed grain base may be diverted on any farm. This is up from the 1963 maximum of 40 percent of the feed grain base.
2. The average payment rate per acre for diverting 40 percent or more of the base will be substantially higher than in 1963.

The program is designed to:

1. Raise farm income by assuring fair prices for feed grain producers and by providing a basis for stability for livestock prices.
2. Continue the substantial progress toward the national goal of a 45- to 50-million-ton feed grain carryover. Previous programs have already reduced the carryover from 85 million tons to less than 60 million tons.
3. Reduce program costs to taxpayers by reducing the storage cost of grain held in government inventory.

Farmers who participate will be eligible for diversion and price support payments, and price

support loans on their 1964 production of the three grains. The price support payments will be made to those participating whether the feed grain produced in 1964 is fed on the farm, sold, or placed under a price support loan.

The principal points of the 1964 feed grain program are:

1. The program is voluntary.
2. It applies to barley, corn and grain sorghum, which together are referred to as the "total feed grain base" in this program explanation.
3. To take part in the program, a farmer agrees to take out of production at least 20 percent of the total feed grain base for his farm.
4. The farmer who diverts as many acres as he signs up to divert and otherwise complies with the program earns a payment for acreage diversion and becomes eligible for the feed grain price support. However, he is not eligible for payments or price support if the feed grain acreage exceeds the feed grain base on any other farm in which he has an interest.
5. Diversion payments based on the farm's established normal yield and the local price support rate will be made on qualifying acreage taken out of production.
6. Price support payments of 15 cents a bushel, based on the established normal yield for the farm, will be made on the 1964 acreage of corn. A similar payment will be made on barley at 12 cents a bushel and on grain sorghum at 23 cents a hundred pounds. The same per bushel and per hundred pounds price support payment rates will apply to all complying farms.
7. Advance payments for diversion—up to one-half of the amount of the diversion payment for taking feed grain

acreage out of production—may be made upon request at signup time or later.

8. Price support loans, purchase agreements and the price support payment for corn, barley, and grain sorghum will be available only to those who sign up to take at least 20 percent of the total feed grain base for their farms out of 1964 crop production and devote that acreage to conservation uses and maintain the normal conserving base acreage for the farm. Price support loans and purchase agreements for those who take part in the program will be available for their entire production of corn, grain sorghum and barley in 1964.

Producers who cooperate with the Government in the effort to continue reducing supplies of feed grains will thus receive financial returns for acreage diverted from feed grain production, plus support prices, including price support payments, for the feed grains they produce.

Although the program is entirely voluntary, those producers who choose not to sign up in the program will not be eligible for price support on corn, grain sorghum or barley.

General

Producers on farms that grew these grains in either 1959 or 1960, or in both years, may take part in the 1964 feed grain program. Only those taking part are eligible for price support on their 1964 crops of corn, barley and grain sorghum and for the diversion payment.

A general explanation of the program and the requirements for taking part—becoming a participant—are given on the following pages.

Producer Declaration of Intention to Take Part

ASC County offices will have forms on which a farmer may declare his intention to participate in the program.

Farm Acreage Information

From information previously supplied by producers, county ASC committees have determined barley, corn, and grain sorghum base acreages and the total feed grain base acreage for all farms known to have produced feed grains in 1959 and 1960. Farm yields and diversion rates of payment also have been determined, and farmers will receive a notice of these determinations. However, this action is not a signup in itself—the producer who wants to take part must still file his declaration of

intention to participate in the program at the ASC county office.

How Much Reduction?

The smallest number of acres of the farm feed grain base that can qualify under the program is calculated from the established feed grain base for the farm. That acreage is 20 percent of the total feed grain base. If more than one of the feed grains is grown on the same farm, the reduction may be made in any one crop or part in each crop. The payment will be made for the feed grain or grains actually reduced—if the base is made up of corn and grain sorghum and the entire reduction is made in grain sorghum, the diversion payment will be figured on grain sorghum.

The largest number of acres that can be taken out of production for diversion payment and used for conservation depends on the size of the farm's total feed grain base.

If the feed grain base is 25 acres or less, the base becomes the largest acreage that can be taken out of production for payment. If the farm feed grain base is more than 25 acres, the largest acreage that can be taken out of production for payment is 25 acres or 50 percent of the base, **WHICHEVER IS LARGER**.

For example: If a farm has a feed grain base of 22 acres—the smallest acreage that would qualify the farm would be 20 percent of 22 acres or 4.4 acres. The largest acreage that could be taken out of production for payment would be 22 acres.

For example: If a farm has a feed grain base of 48—the smallest acreage to qualify the farm would be 20 percent of 48 acres or 9.6 acres. The highest acreage that could qualify for payment under the program would be 25 acres, since 25 acres is larger than 50 percent of the farm feed grain base.

For example: If a farm has a base of 80 acres, the smallest acreage to qualify the farm would be 20 percent of 80 acres, or 16 acres. The largest acreage for which the farm could receive a diversion payment would be 50 percent of 80 acres, or 40 acres.

Total Acres of Conservation Use

The cropland acres diverted to conservation uses under the 1964 feed grain program are to be in addition to the farm's average acreage devoted to conservation use for 1959 and 1960 (the base years) and any acreage diverted to conservation use under other Federal programs.

Permitted Acres of Feed Grains

Each participating farm will have a total permitted acreage for the feed grains, corn, barley and grain sorghum.

After a farm operator decides how many

acres of his feed grain base he will take out of production (his intention), that acreage is subtracted from the total feed grain base. The result is the permitted acres of feed grains for 1964. The permitted acres then becomes the largest total acreage of corn, barley, and grain sorghum that can be produced on the farm in 1964 if the producer expects to qualify for diversion and price support payments, and for price support loans.

Eligibility for 1964-Crop Feed Grain Support

A producer of corn, barley, or grain sorghum, to qualify for price support on 1964 crops of these feed grains, must:

1. Sign up for the 1964 program at the ASC county office. The period during which feed grain producers may file intentions to participate in the 1964 feed grain program (the signup period) extends from February 10, 1964 through March 27, 1964.
2. Comply with his intended diversion from his feed grain base as stated in his signup papers.
3. Use the acres taken out of feed grain production for conservation use in addition to the conservation use base acreage for the farm.
4. Stay within the feed grain base on all other farms in which he has an interest.

Price Support Rates

The total price support for 1964 for corn, barley, and grain sorghum is in two parts:

The loan rate for corn is \$1.10 a bushel, national average, and the price support payment is 15 cents a bushel, making a total price support rate of \$1.25 a bushel, national average.

For barley, the national average loan rate is 84 cents a bushel and a price support payment rate of 12 cents a bushel, making a total national average price support rate of 96 cents a bushel.

For grain sorghum, the national average loan rate is \$1.77 per cwt. and the price support payment rate is 23 cents per cwt., making a total average price support payment rate of \$2.00 per cwt.

Loan rates will be calculated for each county in which each of the crops is grown, in the same manner as county loan rates have been determined in the past.

The price support payment will be made to those taking part in the program. If more than one of the three feed grains is produced on a farm, a separate per-acre rate will be established for each feed grain.

The price support payment, based on each producer's share in the crop, will be made to all participants in the program who plant feed grains for harvest, and will be made regardless of the use made of the grain. The producer may sell the grain or feed it if he wishes and still receive the payment.

Payment Rates for Diversion

For each farm two diversion payment rates per acre will be figured for each of the three eligible feed grains—barley, corn, and grain sorghum.

One of these, the lower rate, will be based on the established normal yield for the farm times one-fifth of the county total price support rate (price-support loan rate plus the price-support payment rate).

The higher rate is based on the established normal yield for the farm times one-half the total price support rate for the county. If less than 40 percent of the base is diverted the lower rate will apply to the number of acres equal to 20 percent of the feed grain base and the higher rate to the acreage diverted in excess of 20 percent.

If the acreage diverted is equal to 40 percent of the base or more this higher rate of diversion payment applies to the entire acreage diverted.

However, a provision of law limits the diversion payment to no more than 20 percent of the fair market value of the land diverted in 1964.

Producers who cash rent publicly owned cropland, whether Federal, State, or county, should consult the ASC county office for diversion rates for such cropland.

Diversion Payment When Base is 25 Acres or Less

On farms on which the feed grain base is 25 acres or less, the following examples show the method of applying the rates of diversion payment:

Assume that a farm has a feed grain base of 21 acres (all corn) with rates of diversion payment of \$15 an acre for the first 20-percent diversion (the lower rate) and \$37.50 an acre for the acres diverted above 20 percent of the base.

1. If the operator diverts only 20 percent of the base, which is the minimum for a participating farm, the diversion payment would be figured in this way:

$$20 \text{ percent of } 21 \text{ acres} = 4.2 \text{ acres}$$

$$4.2 \text{ acres times } \$15.00 = \$63.00 \text{ total diversion payment}$$

2. If the operator diverts more than 20 percent of the base and less than 40 percent, say 8 acres—3.8 acres more than the

minimum to be a participant—the diversion payment would be:

$$\begin{aligned} 20 \text{ percent of } 21 \text{ acres} &= 4.2 \text{ acres} \\ 4.2 \text{ acres times } \$15.00 &= \$63.00 \\ 8 \text{ acres minus } 4.2 \text{ acres} &= 3.8 \text{ acres} \\ &\quad \text{diverted above} \\ &\quad \text{the minimum} \\ 3.8 \text{ times } \$37.50 &= \$142.50 \end{aligned}$$

The total diversion payment would be
\$63.00 plus \$142.50 = \$205.50

3. If the operator diverted at least 40 percent of the base, the diversion payment would be the acres for payment times \$37.50. For example, if the entire base is diverted, the payment would be:

$$21 \text{ times } \$37.50 = \$787.50$$

Diversion Payment When Base is More Than 25 Acres

For farms with feed grain bases of more than 25 acres, the smallest number of acres that can be diverted for payment is 20 percent of the total feed grain base. The largest number of acres that can be diverted for payment is 50 percent of the total feed grain base or 25 acres, whichever is larger.

For example: Assume that a farm has a feed grain base of 80 acres with payment rates of \$15.00 an acre for the low rate and \$37.50 per acre for the high rate and that 30 acres are diverted. The number of acres to which each rate would apply would be figured this way:

$$20 \text{ percent of } 80 \text{ acres} = 16 \text{ acres}$$

Since the 30 acres diverted is more than 20 percent of the feed grain base, there would be 14 acres diverted to which the higher rate would apply.

The total diversion payment then would be:

$$\begin{aligned} 16 \text{ times } \$15.00 &= \$240.00 \\ 14 \text{ times } \$37.50 &= 525.00 \end{aligned}$$

$$\text{Total diversion payment } \$765.00$$

The operator of this farm could divert more acres, for example, 40 percent of the feed grain base and get the high rate of diversion for every acre diverted. Then the diversion payment would be figured this way:

$$\begin{aligned} 40 \text{ percent of } 80 \text{ acres} &= 32 \text{ acres} \\ 32 \text{ times } \$37.50 &= \$1200.00 \text{ total} \\ &\quad \text{diversion payment} \end{aligned}$$

There is another choice for the operator of a farm such as this one—he may choose to divert for payment as much as 50 percent of the farm feed grain base and get the high rate of payment for every acre diverted. If that many acres were to be diverted, the payment would be figured this way:

$$\begin{aligned} 50 \text{ percent of } 80 \text{ acres} &= 40 \text{ acres} \\ 40 \text{ times } \$37.50 &= \$1500.00 \text{ total} \\ &\quad \text{diversion payment.} \end{aligned}$$

The Price Support Payment

The price support payment on participating farms is made on the basis of the established normal yield and the number of acres planted for harvest in 1964. The price support payment for each of the three feed grains is the same for all participating farms, regardless of the location (see price support rates, page 3). For example, the price support payment rate for corn is 15¢ a bushel in every county.

Assume that a farm has a feed grain base of 80 acres (corn), and that 20 acres are diverted from the feed grain base to conserving use as the owner had agreed to do when he signed up to participate. 60 acres of corn are planted and the normal yield is established at 80 bu. All other requirements for a participating farm are met.

The price support payment would be figured in this way:

$$\begin{aligned} 60 \times 80 \text{ bu.} &= 4800 \text{ bu.} \\ 4800 \text{ bu.} \times \$0.15 &= \$720.00. \end{aligned}$$

In addition, the entire production from the 60 acres of planted corn would be eligible for a price support loan at the rate per bushel for the county in which the farm is located. (The national average loan rate for corn is \$1.10 a bushel.)

The price support payment of \$0.15 a bushel would be made even if the corn produced on the 60 acres were fed to livestock on the farm or if part of the production were sold, placed under price support loan, or not harvested.

On farms where the entire feed grain base is diverted to a conserving use or where no feed grains are planted for harvest there would be no price support payment.

A provision of law also limits the price support payment to no more than 20 percent of the fair market value of the land planted to feed grains for harvest in 1964.

Use of Diverted Acres

The acres diverted from the production of feed grains under the program are to be used for approved conservation measures (with exception of substitute crops) if the participating farm is to remain eligible for diversion payments, price support payments, and price support loans. Erosion, weeds, rodents, and insects are also to be controlled on the diverted acreage.

Grazing on diverted acreage under the 1964 feed grain program is not permitted except as authorized by the ASC county committee.

Planting Approved Substitute Crops on Diverted Acres

Castor beans, guar, mustard seed, safflower, sesame, or sunflower may be planted on the

acreage diverted from the feed grain base. If this is done, the rate of diversion payment on the diverted acreage planted to one of the approved substitute crops will be a percentage of the lowest diversion payment rate for the farm. The percentages are as follows:

Castor beans	50 percent
Guar	50 percent
Mustard seed	30 percent
Sesame	50 percent
Safflower	No diversion payment
Sunflower	30 percent

Diverted feed grain acreage used for the approved substitute crops is counted in meeting the total diverted acreage that the operator of a farm agreed to divert when he signed up to take part in the program.

Conservation Uses

The diverted acreage may be devoted to the following conservation uses:

1. Permanent-type or rotation cover of grasses and legumes.
2. Temporary cover of grasses or legumes.
3. Wildlife food or habitat plantings.
4. Trees or shrubs.
5. Other uses.

Each ASC county office has a list of conservation uses that have been approved for the county.

Diverted Acres in Connection with the Agricultural Conservation Program and the Great Plains Conservation Program

Participation in the feed grain program will not prevent a farmer from applying for assistance under the Agricultural Conservation Program or the Great Plains Conservation Program in establishing conservation uses on the diverted acres. The ASC county committee may approve ACP cost-shares on the diverted acres. This assistance is not guaranteed. Those interested in the Great Plains Conservation Program should consult any USDA representative in the county.

Making Payments

Each participating feed grain producer has a choice of receiving the diversion payment and the price support payment as a certificate that may be redeemed in grain or as a sight draft cashable at any bank.

Advance Payment

At the time he files his intention-to-participate form, a producer may also make a request to the ASC county office for an advance payment not to exceed one-half his estimated total diversion payment for participation in the pro-

gram. If he takes an advance payment, he will receive the balance of his diversion payment probably about September 1, after performance on the farm has been established. The price support payment will also be made at the time the final diversion payment is made.

Division of Payments

The application for payment will show any division of the diversion payment between the landlord and the tenant. ASC county committees have the responsibility to satisfy themselves that the division of the diversion payment is fair. The price support payment will be divided among producers as they share in the 1964 crop.

To Participate

To participate in the 1964 feed grain program, the following steps should be taken: A farmer first supplies his county ASC office with an acreage report if that was not done under the 1961, 1962, or 1963 program or in preparation for the 1964 program. That report shall include the acreage and crops produced on his farm in 1959 and 1960. (Most farmers already have supplied this information to the county ASC offices.)

On the basis of the information filed by the farmer, the ASC county committee establishes a feed grain base and a conserving acreage base for the farm. If the farmer has been producing only corn, the base is figured from the acreage of corn, or if only grain sorghum is produced, the base is figured from the acreage of grain sorghum, or if only barley is produced, it is figured from the acreage of barley. If more than one of these crops is produced, separate base acreages will be determined for each crop. The total base represents the sum of the separate bases.

Owners and operators will receive a notice of base acreages, yields and diversion payment rates for the farm.

The next step is for the farmer to complete and file at the ASC county office, not later than the final date (March 27, 1964), an intention-to-participate form. If he wants an advance payment, he will so indicate at that time. After this form is filed, the farmer then will have the responsibility of (1) diverting acreage from corn, barley, and/or grain sorghum in total to the extent indicated, (2) designating the acreage of land to be diverted and establishing conservation use on such land, (3) maintaining the conservation base acreage on his farm, and (4) not exceeding the total feed grain base on any other farms in which he has an interest. (Intentions to participate may be changed until the March 27 deadline is reached.)

A Participant Has These Advantages

1. Price support will be available for his 1964 production of corn, grain sorghum, and barley.
2. A substantial income from the acres diverted is assured regardless of drought, flood, insects, hail, or crop disease.
3. The price support payment on the established yield on the planted acreage is also assured.
4. An advance payment not to exceed one-half of the estimated total diversion payment, at the participant's request, will be made at the time of signing up or as soon as possible after that time.

Land Eligible for Diversion

Generally, cropland may be designated as diverted acreage if it meets one of the following conditions:

1. Has been used for the production of small grains or row crops in at least one of the years 1960, 1961, 1962, or 1963.
2. Has been devoted to a hay crop all

during the 1960-63 period in a normal rotation pattern and is equal in productivity to the land on which feed grains have been produced.

3. Designated as diverted acreage under the 1961, 1962, or 1963 feed grain programs or the 1962 or 1963 wheat stabilization program, except such designated land as has been planted to trees or is used for water storage.

(Eligibility of specific acreage for diversion should be obtained from the ASC county office.)

Producers with an Interest in More Than One Farm

A producer with an interest in more than one farm may participate in the program on one farm and receive diversion and price support payments and be eligible for price support loans on the feed grain he produces on that farm **provided** the acreage devoted to feed grains on any other farm in which he has an interest does not exceed the farm feed grain base.

Price Support—Oats and Rye

The 1964 national average loan and purchase agreement rate for oats is 65 cents per bushel and for rye is \$1.07 per bushel. Eligibility for price support on these two grains does not require participation in the 1964 Feed Grain Program.

(This explanation is provided to help in the general understanding of the 1964 feed grain program. It does not replace official instructions and regulations applicable to individual farm situations.)

The period during which feed grain producers may file intentions to participate in the 1964 feed grain program (signup period) extends from Feb. 10, 1964 through March 27, 1964.



